

SB252 ENGROSSED



1 SB252
2 I3VRGZZ-2
3 By Senators Beasley, Gudger, Livingston, Chesteen, Williams,
4 Stutts, Jones, Bell, Sessions, Hovey, Givhan, Allen,
5 Smitherman, Roberts, Price, Butler, Shelnutt, Melson,
6 Coleman-Madison, Stewart, Singleton, Barfoot, Chambliss,
7 Kelley, Coleman, Carnley, Hatcher, Figures, Elliott
8 RFD: Banking and Insurance
9 First Read: 18-Mar-25



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A BILL
TO BE ENTITLED
AN ACT

Relating to pharmacy benefits managers; to amend Sections 27-45A-3, 27-45A-5, 27-45A-6, 27-45A-7, 27-45A-8, and 27-45A-10, Code of Alabama 1975; to further provide for regulation of pharmacy benefits managers by the Commissioner of Insurance; to provide a civil action to persons injured by pharmacy benefits managers; to add Section 27-45A-13 to the Code of Alabama 1975, to provide a minimum reimbursement amount for independent pharmacies and to provide for its repeal; and to add Section 27-45A-14 to the Code of Alabama 1975, to regulate rebates from drug manufacturers to pharmacy benefits managers.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known as "The Community Pharmacy Relief Act."

Section 2. Sections 27-45A-3, 27-45A-5, 27-45A-6, 27-45A-7, 27-45A-8, and 27-45A-10, Code of Alabama 1975, are amended to read as follows:

"§27-45A-3

For purposes of this chapter, the following words ~~shall~~ have the following meanings:

(1) AFFILIATE or PBM AFFILIATE. An entity, including,



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29 but not limited to, a pharmacy, health insurer, or group
30 purchasing organization that directly or indirectly, through
31 one or more intermediaries, has one of the following
32 affiliations:

33 a. Owns, controls, or has an investment interest in a
34 pharmacy benefits manager.

35 b. Is owned, controlled by, or has an investment
36 interest holder who is a pharmacy benefits manager.

37 c. Is under common ownership or corporate control with
38 a pharmacy benefits manager.

39 ~~(1)~~ (2) CLAIMS PROCESSING SERVICES. The administrative
40 services performed in connection with the processing and
41 adjudicating of claims relating to pharmacist services that
42 include any of the following:

43 a. Receiving payments for pharmacist services.

44 b. Making payments to pharmacists or pharmacies for
45 pharmacist services.

46 c. Both paragraphs a. and b.

47 ~~(2)~~ (3) COVERED INDIVIDUAL. A member, policyholder,
48 subscriber, enrollee, beneficiary, dependent, or other
49 individual participating in a health benefit plan.

50 ~~(3)~~ (4) HEALTH BENEFIT PLAN. A policy, contract,
51 certificate, or agreement entered into, offered, or issued by
52 a health insurer to provide, deliver, arrange for, pay for, or
53 reimburse any of the costs of physical, mental, or behavioral
54 health care services, including pharmaceutical services.

55 ~~(4)~~ (5) HEALTH INSURER. An entity subject to the
56 insurance laws of this state and rules of the department, or



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57 subject to the jurisdiction of the department, that contracts
58 or offers to contract to provide, deliver, arrange for, pay
59 for, or reimburse any of the costs of health care services,
60 including, but not limited to, a sickness and accident
61 insurance company, a health maintenance organization operating
62 pursuant to Chapter 21A, a nonprofit hospital or health
63 service corporation, a health care service plan organized
64 pursuant to Article 6, Chapter 20 of Title 10A, or any other
65 entity providing a plan of health insurance, health benefits,
66 or health services, including a nonprofit agricultural
67 organization that provides a plan for health care services to
68 its members.

69 (6) INDEPENDENT PHARMACY. A pharmacy in the state as
70 defined in Section 34-23-1 that holds an active permit from
71 the Alabama State Board of Pharmacy and is classified by the
72 Alabama State Board of Pharmacy as a community pharmacy.

73 (7) IN-NETWORK or NETWORK. A network of pharmacists or
74 pharmacies that are paid for pharmacist services pursuant to
75 an agreement with a health benefit plan or a pharmacy benefits
76 manager.

77 (8) MEDICAID REIMBURSEMENT RATE. The total payment
78 amount for an outpatient drug dispensed by a pharmacy as set
79 by rule adopted by the Alabama Medicaid Agency which is in
80 effect on the effective date of this act.

81 ~~(5)~~ (9) OTHER PRESCRIPTION DRUG OR DEVICE SERVICES.
82 Services, other than claims processing services, provided
83 directly or indirectly, whether in connection with or separate
84 from claims processing services, including, but not limited



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85 to, any of the following:

86 a. Negotiating rebates, ~~discounts, or other financial~~
87 ~~incentives and arrangements~~ with drug companies.

88 b. Disbursing or distributing rebates.

89 c. Managing or participating in incentive programs or
90 arrangements for pharmacist services.

91 d. Negotiating or entering into contractual
92 arrangements with pharmacists or pharmacies, or both.

93 e. Developing formularies.

94 f. Designing prescription benefit programs.

95 g. Advertising or promoting services.

96 ~~(6)~~ (10) PHARMACIST. As defined in Section 34-23-1.

97 ~~(7)~~ (11) PHARMACIST SERVICES. Products, goods, and
98 services, or any combination of products, goods, and services,
99 provided as a part of the practice of pharmacy.

100 ~~(8)~~ (12) PHARMACY. As defined in Section 34-23-1.

101 ~~(9)~~ (13) PHARMACY BENEFITS MANAGER. a. A person,
102 including a wholly or partially owned or controlled subsidiary
103 of a pharmacy benefits manager, that provides claims
104 processing services or other prescription drug or device
105 services, or both, to covered individuals who are employed in
106 or are residents of this state, for health benefit plans. The
107 term includes any person that administers a prescription
108 discount program directly for or on behalf of a pharmacy
109 benefits manager or health benefit plan for drugs to covered
110 individuals which are not reimbursed by a pharmacy benefits
111 manager or are not covered by a health benefit plan.

112 b. Pharmacy benefits manager does not include any of



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113 the following:

114 1. A ~~healthcare~~health care facility licensed in this
115 state.

116 2. A ~~healthcare~~health care professional licensed in
117 this state.

118 3. A consultant who only provides advice as to the
119 selection or performance of a pharmacy benefits manager.

120 ~~(10) PBM AFFILIATE. A pharmacy or pharmacist that,
121 directly or indirectly, through one or more intermediaries, is
122 owned or controlled by, or is under common control by, a
123 pharmacy benefits manager.~~

124 ~~(11)~~(14) PRESCRIPTION DRUGS. Includes, but is not
125 limited to, certain infusion, compounded, and long-term care
126 prescription drugs. The term does not include specialty drugs.

127 (15) REBATE. Any payments or price concessions that
128 accrue to a pharmacy benefits manager or its health benefit
129 plan client, directly or indirectly, including through its PBM
130 affiliate or its subsidiary, third party, or intermediary,
131 including an off-shore purchasing organization, from a
132 pharmaceutical manufacturer or its affiliate, subsidiary,
133 third party, or intermediary. The term includes, but is not
134 limited to, payments, discounts, administration fees, credits,
135 incentives, or penalties associated, directly or indirectly,
136 in any way with claims administered on behalf of a health
137 benefit plan.

138 ~~(12)~~(16) SPECIALTY DRUGS. Prescription medications that
139 require special handling, administration, or monitoring and
140 are used for the treatment of patients with serious health



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141 conditions requiring complex therapies, and that are eligible
142 for specialty tier placement by the Centers for Medicare and
143 Medicaid Services pursuant to 42 C.F.R. § 423.560.

144 (17) SPREAD PRICING. A prescription drug pricing model
145 used by a pharmacy benefits manager in which the pharmacy
146 benefits manager charges a health benefit plan a contracted
147 price for a prescription drug which is higher than the amount
148 the pharmacy benefits manager pays the pharmacy for the
149 prescription drug.

150 (18) STEERING. The term includes all of the following
151 practices by a pharmacy benefits manager:

152 a. Directing, ordering, or requiring a covered
153 individual to use a specific pharmacy, including a PBM
154 affiliate pharmacy, for the purpose of filling a prescription
155 or receiving pharmacist services.

156 b. Inducing a covered individual to use a designated
157 pharmacy, including a PBM affiliate pharmacy, by increasing
158 costs to the health benefit plan or charging the covered
159 individual up to the full cost for a prescription drug if the
160 covered individual fails to use the pharmacy designated by the
161 pharmacy benefits manager.

162 c. Advertising, marketing, or promoting a pharmacy,
163 including a PBM affiliate pharmacy, over another in-network
164 pharmacy.

165 d. Engaging in any practice that results in excluding,
166 restricting, or inhibiting an in-network pharmacy from
167 providing prescription drugs to beneficiaries under a health
168 benefit plan, which may involve, but not be limited to, the



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169 use of credentialing or accreditation standards, day supply
170 limitations, or delivery method limitations.

171 e. Engaging in any practice aimed at directly or
172 indirectly influencing a pharmaceutical manufacturer to limit
173 its distribution of a prescription drug to certain pharmacies
174 or to restrict distribution of the drug to non-PBM affiliate
175 pharmacies."

176 "§27-45A-5

177 (a) ~~The commissioner may adopt rules necessary to~~
178 ~~implement this chapter~~It shall be the responsibility of the
179 commissioner to enforce this chapter and any conduct arising
180 from any action taken by a pharmacy benefits manager or PBM
181 affiliate pursuant to an audit conducted under Article 8,
182 Chapter 23, Title 34, which violates this chapter.

183 (b) The commissioner shall adopt rules necessary to
184 implement and enforce this chapter, both independently and in
185 conjunction with the conduct of an audit by a pharmacy
186 benefits manager or PBM affiliate under Article 8, Chapter 23,
187 Title 34, to include the authority to set a complaint filing
188 fee of no more than one hundred dollars (\$100) to be paid by a
189 pharmacy or pharmacist with any complaint alleging a violation
190 of Article 8, Chapter 23, Title 34, which fee shall be repaid
191 to the complaining pharmacy or pharmacist by the pharmacy
192 benefits manager or PBM affiliate in the event the violation
193 is proven. The commissioner may waive the complaint filing fee
194 at his or her discretion.

195 (c) The commissioner shall set and impose civil
196 penalties of not less than one thousand dollars (\$1,000) per



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197 violation for violations of this chapter, including conduct
198 arising from an action taken by a pharmacy benefits manager or
199 PBM affiliate pursuant to Article 8, Chapter 23, Title 34,
200 which violates this chapter.

201 ~~(b)~~ (d) The powers and duties set forth in this chapter
202 shall be in addition to all other authority of the
203 commissioner.

204 ~~(e)~~ (e) The commissioner shall enforce compliance with
205 the requirements of this chapter and rules adopted thereunder.

206 ~~(d)~~ (f) (1) The commissioner may examine or audit,
207 including on an annual basis, any books and records of a
208 pharmacy benefits manager providing claims processing services
209 or other prescription drug or device services for a health
210 benefit plan as may be deemed relevant and necessary by the
211 commissioner to determine compliance with this chapter and
212 Article 8, Chapter 23, Title 34.

213 (2) Examinations conducted by the commissioner shall be
214 pursuant to the same examination authority of the commissioner
215 relative to insurers as provided in Chapter 2, including, but
216 not limited to, the confidentiality of documents and
217 information submitted as provided in Section 27-2-24;
218 examination expenses shall be processed in accordance with
219 Section 27-2-25; and pharmacy benefits managers shall have the
220 same rights as insurers to request a hearing in accordance
221 with Sections 27-2-28 et seq., and to appeal as provided in
222 Section 27-2-32.

223 (3) The commissioner may contract the services of a
224 third party to perform an examination or audit under this



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225 subsection.

226 ~~(e)(g)~~ The commissioner's examination expenses shall be
227 collected from pharmacy benefits managers in the same manner
228 as those collected from insurers."

229 "§27-45A-6

230 ~~(a)~~ Nothing in this chapter is intended or shall be
231 construed to do any of the following:

232 (1) Be in conflict with existing relevant federal law.

233 (2) Apply to any specialty drug.

234 (3) Impact the ability of a hospital to mandate its
235 employees' use of a hospital-owned pharmacy.

236 ~~(b) The following provisions shall not apply to the~~
237 ~~administration by a person of any term, including prescription~~
238 ~~drug benefits, of a self-funded health benefit plan that is~~
239 ~~governed by the federal Employee Retirement Income Security~~
240 ~~Act of 1974, 29 U.S.C. §1001 et. seq.:~~

241 ~~(1) Subdivisions (1) and (5) of Section 27-45A-8.~~

242 ~~(2) Subdivisions (2), (3), (6), and (7) of Section~~
243 ~~27-45A-10."~~

244 "§27-45A-7

245 Reserved(a) Any pharmacy or pharmacist, health care
246 provider, health insurer, or covered individual who is injured
247 by any violation of this chapter, alone or in conjunction with
248 an audit performed by a pharmacy benefits manager or PBM
249 affiliate pursuant to Article 8, Chapter 23, Title 34, may
250 bring a civil action against the pharmacy benefits manager or
251 PBM affiliate.

252 (b) In any action brought under this section, in



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253 addition to any other remedies provided by law, an injured
254 person may recover any of the following:

255 (1) Actual damages, including reimbursement for costs
256 incurred due to reductions in payment, delays, or denials.

257 (2) No less than one thousand dollars (\$1,000) per
258 violation of this chapter, or treble the amount of actual
259 damages, whichever is greater, if the pharmacy benefits
260 manager or PBM affiliate is found to have knowingly or
261 recklessly committed the violation.

262 (3) Injunctive relief upon a finding by the court that
263 the pharmacy benefits manager or PBM affiliate has, or is
264 about to, violate this chapter."

265 "§27-45A-8

266 (a) A pharmacy benefits manager may not do any of the
267 following:

268 (1) Require a covered individual, as a condition of
269 payment or reimbursement, to purchase pharmacist services,
270 including, but not limited to, prescription drugs, exclusively
271 through a mail-order pharmacy or pharmacy benefits manager
272 affiliate.

273 (2) Prohibit or limit any covered individual from
274 selecting an in-network pharmacy or pharmacist of his or her
275 choice who meets and agrees to the terms and conditions,
276 including reimbursements, in the pharmacy benefits manager's
277 contract.

278 (3) Impose a monetary advantage or penalty under a
279 health benefit plan that would affect a covered individual's
280 choice of pharmacy among those pharmacies that have chosen to



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281 contract with the pharmacy benefits manager under the same
282 terms and conditions, including reimbursements. For purposes
283 of this subdivision, "monetary advantage or penalty" includes,
284 but is not limited to, a higher copayment, a waiver of a
285 copayment, a reduction in reimbursement services, a
286 requirement or limit on the number of days of a drug supply
287 for which reimbursement will be allowed, or a promotion of one
288 participating pharmacy over another by these methods.

289 (4)a. Use a covered individual's pharmacy services data
290 collected pursuant to the provision of claims processing
291 services for the purpose of soliciting, marketing, or
292 referring the covered individual to a mail-order pharmacy or
293 PBM affiliate.

294 b. This subdivision shall not limit a health benefit
295 plan's use of pharmacy services data for the purpose of
296 administering the health benefit plan.

297 c. This subdivision shall not prohibit a pharmacy
298 benefits manager from notifying a covered individual that a
299 less costly option for a specific prescription drug is
300 available through a mail-order pharmacy or PBM affiliate,
301 provided the notification shall state that switching to the
302 less costly option is not mandatory. The commissioner, by
303 rule, may determine the language of the notification
304 authorized under this paragraph made by a pharmacy benefits
305 manager to a covered individual.

306 (5) Require a covered individual to make a payment for
307 a prescription drug at the point of sale in an amount that
308 exceeds the lessor of the following:



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309 a. The contracted cost share amount.

310 b. An amount an individual would pay for a prescription
311 if that individual were paying without insurance.

312 (6) Otherwise seek to limit, control, or influence the
313 utilization of a pharmacy or pharmacist services by a covered
314 individual through any of the practices of steering.

315 (b) If any of the practices prohibited under subsection
316 (a), including activities that qualify as other prescription
317 drug or device services, are required of a pharmacy benefits
318 manager pursuant to its contractual duties under a health
319 benefits plan, the pharmacy benefits manager shall not be
320 subject to this section."

321 "§27-45A-10

322 With respect to a pharmacist or pharmacy, Aa pharmacy
323 benefits manager, directly or through an affiliate or a
324 contracted third party, may not do any of the following:

325 (1) Reimburse an in-network pharmacy or pharmacist in
326 the state an amount less than the amount that the pharmacy
327 benefits manager reimburses a similarly situated PBM affiliate
328 for providing the same pharmacist services to covered
329 individuals in the same health benefit plan.

330 (2) Practice spread pricing in this state unless
331 required under the health benefit plan. If spread pricing is
332 practiced pursuant to the health benefit plan, the pharmacy
333 benefits manager shall submit an annual report to the
334 commissioner which discloses the differences between the
335 amount the health benefit plan is charged and the amount
336 network pharmacies are reimbursed.



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337 ~~(2)~~(3) Deny a pharmacy or pharmacist the right to
338 participate as a ~~contract~~network provider if the pharmacy or
339 pharmacist meets and agrees to the terms and conditions,
340 including reimbursements, in the pharmacy benefits manager's
341 contract, including an independent pharmacy that qualifies for
342 reimbursement at the minimum rate established in Section
343 27-45A-13(a)(1), notwithstanding any term to the contrary in
344 the pharmacy benefits manager's contract.

345 ~~(3)~~(4) Impose credentialing standards on a pharmacist
346 or pharmacy beyond or more onerous than the licensing
347 standards set by the Alabama State Board of Pharmacy or charge
348 a pharmacy or pharmacist any fee in connection with in regard
349 to, without limitation, network enrollment, network
350 participation, credentialing or recredentialing, change of
351 ownership, submission of claims, transmission of claims,
352 adjudication of claims, claims processed through discount card
353 programs, or otherwise, if not in conjunction with an audit
354 conducted pursuant to Article 8, Chapter 23, Title 34;
355 provided, however, this subdivision shall not prohibit a
356 pharmacy benefits manager from setting minimum requirements
357 for participating in a pharmacy network.

358 ~~(4)~~(5) Prohibit a pharmacist or pharmacy from providing
359 a covered individual ~~specific information on the amount of the~~
360 ~~covered individual's cost share for the covered individual's~~
361 ~~prescription drug and the clinical efficacy of a more~~
362 ~~affordable alternative drug if one is available, or penalize a~~
363 ~~pharmacist or pharmacy for disclosing this information to a~~
364 ~~covered individual or for selling to a covered individual a~~



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365 ~~more affordable alternative if one is available~~ with any
366 relevant information about a prescription drug, including the
367 following:

368 a. The cost and reimbursement amount of the drug.

369 b. An alternative drug.

370 c. Any other information considered to be necessary in
371 the professional judgment of the pharmacist.

372 ~~(5)~~ (6) Prohibit a pharmacist or pharmacy from offering
373 and providing delivery services to a covered individual as an
374 ancillary service of the pharmacy, provided all of the
375 following requirements are met:

376 a. The pharmacist or pharmacy can demonstrate quality,
377 stability, and safety standards during delivery.

378 b. The pharmacist or pharmacy does not charge any
379 delivery or service fee to a pharmacy benefits manager or
380 health insurer.

381 c. The pharmacist or pharmacy alerts the covered
382 individual that he or she will be responsible for any delivery
383 service fee associated with the delivery service, and that the
384 pharmacy benefits manager or health insurer will not reimburse
385 the delivery service fee.

386 ~~(6)~~ (7) Charge or hold a pharmacist or pharmacy
387 responsible for a fee or penalty relating to an audit
388 conducted pursuant to ~~The Pharmacy Audit Integrity Act,~~
389 ~~Article 8 of,~~ Chapter 23 ~~of,~~ Title 34, provided this
390 prohibition does not restrict recoupments made in accordance
391 with the Pharmacy Audit Integrity Act.

392 ~~(7)~~ (8) Charge a pharmacist or pharmacy a point-of-sale



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393 or retroactive fee or otherwise recoup funds from a pharmacy
394 in connection with claims for which the pharmacy has already
395 been paid, unless the recoupment is made pursuant to an audit
396 conducted in accordance with ~~the Pharmacy Audit Integrity~~
397 ~~Act~~ Article 8, Chapter 23, Title 34.

398 ~~(8)~~ (9) Except for a drug reimbursed, directly or
399 indirectly, by the Medicaid program, vary the amount a
400 pharmacy benefits manager reimburses an entity for a drug,
401 including each and every prescription medication that is
402 eligible for specialty tier placement by the Centers for
403 Medicare and Medicaid Services pursuant to 42 C.F.R. §
404 423.560, regardless of any provision of law to the contrary,
405 on the basis of whether:

406 a. The drug is subject to an agreement under 42 U.S.C.
407 § 256b; or

408 b. The entity participates in the program set forth in
409 42 U.S.C. § 256b.

410 ~~(9)~~ (10) If an entity participates, directly or
411 indirectly, in the program set forth in 42 U.S.C. § 256b, do
412 any of the following:

413 a. Assess a fee, charge-back, or other adjustment on
414 the entity.

415 b. Restrict access to the pharmacy benefits manager's
416 pharmacy network.

417 c. Require the entity to enter into a contract with a
418 specific pharmacy to participate in the pharmacy benefits
419 manager's pharmacy network.

420 d. Create a restriction or an additional charge on a



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421 patient who chooses to receive drugs from the entity.

422 e. Create any additional requirements or restrictions
423 on the entity.

424 ~~(10)~~(11) Require a claim for a drug to include a
425 modifier to indicate that the drug is subject to an agreement
426 under 42 U.S.C. § 256b.

427 ~~(11)~~(12) Penalize or retaliate against a pharmacist or
428 pharmacy for exercising rights under this chapter or ~~the~~
429 ~~Pharmacy Audit Integrity Act~~Article 8, Chapter 23, Title 34.
430 For purposes of this subdivision, the conduct prohibited
431 includes any written or verbal communication that a reasonable
432 individual would construe as a threat of penalty or
433 retaliation received before or in the course of exercising
434 rights under this chapter or Article 8, Chapter 23, Title 34.

435 (13) Prohibit a pharmacist or pharmacy from declining
436 to dispense a drug to a covered individual, or directing a
437 covered individual to another pharmacy, if the reimbursement
438 amount would be lower than the dispensing cost of the
439 pharmacist or pharmacy.

440 (14) Take retaliatory action against, or impose any
441 penalty on, a pharmacist or pharmacy who declines to dispense
442 a drug to a covered individual under subdivision (13),
443 including cancellation or nonrenewal of a contract, or suit
444 for breach of contract."

445 Section 3. Section 27-45A-13 is added to the Code of
446 Alabama 1975, to read as follows:

447 §27-45A-13

448 (a) Notwithstanding any other provision of this chapter



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449 or any form of a contract to the contrary, with respect to an
450 independent pharmacy, a pharmacy benefits manager, directly or
451 through an affiliate or a contracted third party, may not do
452 any of the following:

453 (1) Reimburse for dispensing a prescription drug in an
454 amount that is less than the Medicaid reimbursement rate.

455 (2) Impose a fee or otherwise adjust or lower the
456 reimbursement of a drug at the time the claim is adjudicated,
457 or after the claim is adjudicated, that in any way reduces the
458 amount of reimbursement for the drug as regulated pursuant to
459 subdivision (1).

460 (3) Increase a covered individual's cost-sharing
461 percentage or ratio at or after the point of sale by raising
462 the deductible, copayment, or coinsurance, or by requiring any
463 other out-of-pocket payment as a means to recoup the
464 dispensing cost portion of the reimbursement required pursuant
465 to subdivision (1).

466 (4) Reject payment of a claim for a drug that is
467 submitted by an independent pharmacy when the drug is
468 available to a covered individual at a different in-network
469 pharmacy; provided, however, if the drug is dispensed by the
470 different in-network pharmacy, the pharmacy benefits manager
471 shall pay the independent pharmacy a surcharge equal to the
472 reimbursement that would have been paid pursuant to
473 subdivision (1) had the independent pharmacy dispensed the
474 drug.

475 (b) A health benefit plan that covers individuals who
476 are public employees and which reimburses independent



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477 pharmacies for dispensing prescription drugs during its plan
478 year in an aggregate amount that is higher than would
479 otherwise be calculated using the rate set in subdivision
480 (a) (1), upon proof of the same submitted to the commissioner,
481 shall be exempt from this section.

482 (c) Subsequent to repeal of this section as provided in
483 subsection (d), a pharmacy benefits manager, directly or
484 through an affiliate or a contracted third party, may not
485 charge an independent pharmacy a retroactive fee, adjust a
486 reimbursement for a claim already adjudicated and paid, or
487 otherwise take any action calculated to recover any amount
488 previously paid to an independent pharmacy in compliance with
489 subdivision (a) (1).

490 (d) This section is repealed on October 1, 2027.

491 Section 4. Section 27-45A-14 is added to the Code of
492 Alabama to read as follows:

493 §27-45A-14

494 A pharmacy benefits manager, either directly or through
495 a PBM affiliate, when performing pharmacy benefits management
496 services or other prescription drug or device services for a
497 health benefit plan client, shall pass on 100 percent of all
498 rebates received, directly or indirectly, from a
499 pharmaceutical manufacturer unless the health benefit plan
500 client directs the pharmacy benefits manager or PBM affiliate
501 to apply the rebates to purchases of prescription drugs by
502 covered individuals at the point of sale.

503 Section 5. In the event of an enactment by the United
504 States Congress of a law that preempts the operation of any



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505 provision of this act, it is the intent of the Legislature
506 that any remaining provision of this act that is unaffected by
507 the congressional enactment remain in effect.

508 Section 6. This act shall become effective immediately,
509 except Section 3 shall take effect October 1, 2025.



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512 Senate

513 Read for the first time and referred18-Mar-25
514 to the Senate committee on Banking
515 and Insurance
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517 Read for the second time and placed19-Mar-25
518 on the calendar:
519 1 amendment
520
521 Read for the third time and passed20-Mar-25
522 as amended
523 Yeas 32
524 Nays 0
525 Abstains 1
526
527

Patrick Harris,
Secretary.

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